

**BEFORE Sh. Arunvir Vashista, Member-II
THE REAL ESTATE REGULATORY AUTHORITY, PUNJAB AT
CHANDIGARH**

Complaint No. RERA/GC No.0063 of 2024

Date of filing: 12.02.2024

Date of Decision: **17.11.2025**

Jyotsna # 1020, Sector 83 (ALPHA) SAS Nagar (Mohali), Punjab
Pin Code 140306

...Complainant

Versus

1. Greater Mohali Area Development Authority, PUDA Bhawan, Sector 62, SAS Nagar (Mohali), Punjab
2. Chief Administrator, PUDA Bhawan, Sector 62, SAS Nagar (Mohali), Punjab
3. Estate Officer, PUDA Bhawan, Sector 62, SAS Nagar (Mohali), Punjab

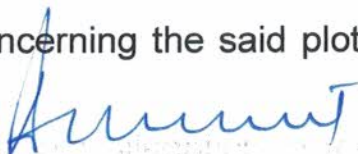
... Respondents

Complaint under Section 31 of the Real Estate (Regulation and Development) Act 2016.

Present: Sh. Harsh Behal, Advocate representative for the complainant
Sh. Ankit Kumar, Advocate, representative for the respondents

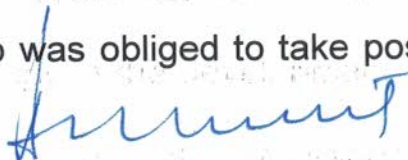
ORDER

The main allegation in this complaint, filed under Section 31 of the Real Estate (Regulation and Development) Act, 2016 (hereinafter referred to as "the Act") by complainant against the respondents, relates to delay in handing over possession of the residential plot measuring 256.66 sq. yards allotted to her in IT City, Mohali in the draw of lots conducted by the respondents on 21.09.2016. Letter of Intent (LOI) was issued on 18.11.2016 by the respondents concerning the said plot. The tentative price of the plot



was fixed at Rs.51,33,200/- @ Rs.20,000/- per sq. yards. The entire amount was paid by the complainant. As per clause 15 of the letter of intent the physical possession of the plot was to be handed over to the allottee within a period of one year from the date of issuance of letter of intent dated 18.11.2016. The respondents however failed to hand over and deliver the physical possession within stipulated period causing delay of more than 3 years. Accordingly, the main relief sought is payment of interest for the period of delay. Hence, the present complaint.

3. Upon notice, respondents filed written reply contesting the complaint primarily on the ground that the complaint was not maintainable as the complainant had already taken possession of the plot without demur and conveyance deed had also been executed in her favour. It was also submitted that the plot in question was allotted to the complainant at a tentative price of Rs.20,000/- per sq. yard, whereas its present market value was approximately Rs.75,000/- per sq. yards, so having already reaped the substantial benefit of appreciation, she could not further claim interest on the amount deposited. The delay in the development of the area occurred due to the factors beyond the control of respondent firstly due to delay in issuance of Amended Environmental Clearance by the State Level Environment Impact Assessment Authority (SEIAA), a statutory body constituted under the Environment Protection Act, 1986 and secondly due to outbreak of COVID-19 pandemic. As such no lapse or deficiency could be imputed to the respondents. As per the Allotment Letter dated 09.06.2020, possession of the plot was offered to the complainant, who was obliged to take possession within 90 days. In

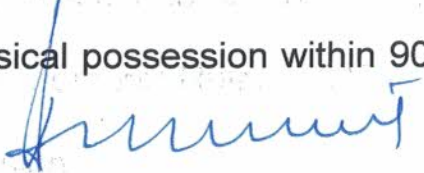


the event of dissatisfaction with any delay in offering possession due to development works, clause 27 of the Allotment Letter provided that she could refuse possession within 30 days, entitling her to a refund of the deposited amount. But no such protest, representation, or complaint was made by the complainant. Denying the rest of the averments of the complaint, prayer was made for dismissal of the complaint.

4. Complainant filed rejoinder and broadly reiterated the contents of the complaint.

5. Learned counsel for the complainant pointed out that Para 15 of the Letter of Intent provided that physical possession of the plot would be handed over to the allottee within a period of one year from the date of issuance of letter of intent dated 18.11.2016 i.e. by 17.11.2017. The respondents however failed to hand over and deliver the physical possession within stipulated period causing delay of more than 3 years. The respondents were therefore liable to pay interest at the rate prescribed in the Punjab State Real Estate (Regulation and Development) Rules, 2017 for the period of delay in handing over possession.

6. On the other hand, learned counsel for respondents reiterated the legal contentions noted above. He further contended that complainant had already taken possession of the plot on 09.06.2020 without any objection and conveyance deed had also since been executed in her favour. He also contended that as per clause 9 of the allotment letter dated 09.06.2020, the allottee was required to take physical possession within 90 days from the date of

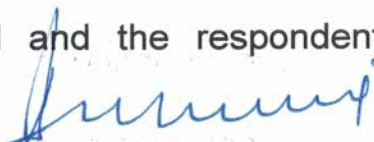


issue of allotment letter, and in case of failure to do so the possession was deemed to have been delivered to the allottee.

7. This authority has carefully considered the rival contentions of both the parties and perused the record of the case.

8. At the outset it is held that none of the legal issues raised by the respondents have any merit. Moreover, the Act provides for payment of interest in case of delay in handing over of possession and this legal right of an allottee cannot be defeated by the lack of such a provision in any document issued by the promoter. It is also seen that the letter of intent clearly mentions that the allottee would be responsible for payment of interest on the balance instalments and also for penal interest at the rate of 18% p.a. in case of delay in payments. Such one-sided arrangements have been held to be illegal by the Hon'ble Supreme Court in '**Pioneer Urban Land & Infrastructure Ltd., Vs Govindan Raghavan (Civil Appeal No.12238 of 2018 and 'Wg. Cdr. Arifur Rahman Khan and Aleya Sultana and Ors. Vs. DLF Southern Homes Pvt. Ltd.'** (Civil Appeal No.6239 of 2019. It is accordingly held that the arguments raised on behalf of the respondents are not valid; and there has been a delay on the part of the respondent in handing over possession of the plot to the complainant as agreed. Admittedly the possession of the plot was delivered to complainant on 09.06.2020, i.e. after about three years of the promised date. Therefore, violation of Section 18(1) of the Act is therefore established; and the complainant is entitled to the relief provided therein.

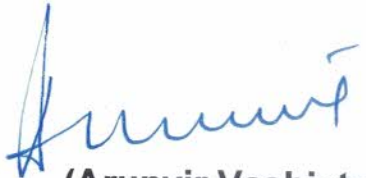
9. As an outcome of the above discussion, this complaint is accordingly accepted and the respondents are directed to pay



interest at the rate prescribed rate as per Rule 16 of the RERD Act i.e. State Bank of India highest marginal cost of lending rate (as on today) plus 2% w.e.f. 17.11.2017 (the promised date for delivery of possession) till 06

.09.2020 i.e. three months after the issue of the Allotment Letter

10. File be consigned to record room after necessary compliance as per rules.



**(Arunvir Vashista),
Member, RERA, Punjab**